

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Friday, September 24, 2004

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: John Ohama, Chair, Broker/Honolulu Commissioner
Mitchell Imanaka, Vice Chair, Broker/Honolulu Commissioner
Louis Abrams, Broker/Kauai Commissioner
Kathleen Kagawa, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Iris Okawa, Public/Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General (Late Arrival)
Irene Kotaka, Secretary

Nicki Ann Thompson, Hawaii Association of REALTORS
Janice Lind, RE3LLC
David Brauer
Randall Scharnhorst
Michael Walsh

Absent: Carol Ball, Broker/Honolulu Commissioner
Vern Yamanaka, Hawaii Broker/Hawaii Commissioner

Call to Order: The Chair called the meeting to order at 9:00 a.m., at which time quorum was established.

Chair's Report: No Chair's report was presented.

Executive Officer's Report: **Announcements, Introductions, Correspondence and Additional Distribution**

Addition to the Agenda

Upon a motion by Commissioner Okawa, seconded by

Commissioner Imanaka, it was voted on and unanimously carried to add the following items to the agenda:

4. Committee Reports
 - b. Education Review Committee
 - 1) Request for Proposals – Broker’s Online Curriculum
7. Chapter 91, Hawaii Revised Statutes, Adjudicatory Matters – In the Matter of the Real Estate Broker’s Licenses of Peter B. Savio, Dana G. Kenny, and Brooks G. Maloof, REC 2002-104-L

Minutes of Previous Meeting

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the minutes of the August 31, 2004 Real Estate Commission meeting.

Committee Reports:

Laws and Rules Review Committee

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the report of the September 8, 2004 Laws and Rules Review Committee meeting as follows:

1. Minutes of September 8, 2004 – **Accept**
2. Special Issues
3. Applicants with Criminal and other Legal Background Issues – **Recommend approval** to create a subcommittee to study and create guidelines for review of applicants with prior criminal convictions and/or other legal background issues. The Real Estate Commission to appoint members to the subcommittee at its next full Commission meeting.
4. Limited Service Brokerage and Agency - **Recommend to table** this issue.
5. Next Meeting: Wednesday, October 13, 2004
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Education Review Committee

Upon a motion by Commissioner Nishihara, seconded by Commissioner Kagawa, it was voted on and unanimously carried to accept the report of the September 8, 2004 Education Review Committee meeting as follows:

1. Minutes of August 11, 2004 – **Accept.**
2. Minutes of July 14, 2004 – **Recommend approval** of amended minutes.
3. Continuing Education Administration, Curriculum, Courses, Providers and Instructors
 - a. Course – “The Accredited Staging Professional Course,” Author/Owner: Barb Schwarz, Stagedhomes.com; Provider: TBA; Course Category: Other (Staging); Clock Hours: 14 (6 credits for the 14 clock hours, a two-day course) – **Defer decision making.** Request information on whether the course is

- recognized for continuing education credit in other states/jurisdictions.
- b. Course – “Condominium Principles and Disclosures Law;”
Author/Owner/Provider: Thomas J. Douma; Course Category:
Real Estate Law; Clock Hours: 3 – **Recommend approval.**
 4. Prelicensing Education Administration, Curriculum, Schools, Instructors,
and Equivalency
 - a. Guest Lecturer – Russell W. H. Chee, Hawaii Institute of Real
Estate, Yuki Kajiwara, Principal – **Recommend approval.**
 5. Administration of Examinations – **Recommend approval** of revised
broker content outline.
 6. Next meeting: Wednesday, October 13, 2004
Upon adjournment of the Laws and Rules Review
Committee Meeting, which convenes at 9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Request for Proposals – Broker’s Online Curriculum

Ms. Janice Lind, of RE3LLC, was present to request a two-week extension
deadline for vendors to submit proposals for the Broker’s Online Curriculum.

Mr. David Brauer said that he would like to work with staff to see what can be
done.

Senior Specialist Fujimura reported that there is a lot of interest in the request for
proposal of the broker’s online curriculum. She has received two proposals to
date.

Upon a motion by Commissioner Abrams, seconded by Commissioner Imanaka,
it was voted on and unanimously carried to approve the extension of the deadline
for submission of the RFP relating to the broker’s online curriculum to October 8,
2004.

Test Development

Commissioner Nishihara reported on the status of the test development. She
informed the Commissioners that the group met on September 22, 2004 to
complete the test development and scenario questions. The information will be
forwarded to Promissor shortly.

Condominium Review Committee

Upon a motion by Commissioner Imanaka, seconded by
Commissioner Kagawa, it was voted on and unanimously carried to accept the
report of the September 8, 2004 Condominium Review Committee meeting as
follows:

1. Minutes of August 11, 2004 Meeting – **Accept.**
2. Condominium Governance and Management
AOAO Registrations – 2003-2005 Biennium Registration – August 2004
– **Recommend approval** to ratify effective dates for the AOAO 2003-
2005 biennium registrations received through August 31, 2004.

3. CPR Registration, Developer's Public Reports
 - a. August 2004 – **Recommend approval** to ratify issuance of effective dates of the developer's public reports and extensions issued for the month of August 2004.
 - b. Act 119 – **Recommend approval** to incorporate applicable provisions of this Act as standard disclosures for inclusion in the developer's public reports; further recommend staff to revise for Commission review and approval the developer's public report forms consistent with this recommendation.
4. Program of Work, FY05 – Interactive Participation with Organizations – **Acknowledge receipt** of the SEO's report on participation at CAI's 53rd Conference and Exposition, May 20-22, 2004.
5. Next Meeting: Wednesday, October 13, 2004
Upon adjournment of the Education Review Committee Meeting, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9 a.m.

Program of Work and Budget and Finance

Discussion on the investment contract with Bank of Hawaii will be placed on the agenda for the October 13, 2004 Laws and Rules Review Committee meeting.

Licensing and Registration – Ratification:

Upon a motion by Commissioner Okawa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to approve the ratification of the attached list.

Chapter 91, Adjudicatory Matters:

In the Matter of the Real Estate Brokers' Licenses of Peter B. Savio, Dana G. Kenny, and Brooks G. Maloof, REC 2002-104-L

Upon a motion by Commissioner Okawa, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the Settlement Agreement Prior to Filing of Petition for Disciplinary Action and Commission's Final Order.

Recodification Report and Legislation:

Commissioner Imanaka reported that the Recodification Committee met. The Ramseyer format was submitted for review.

Commissioner Imanaka thanked staff and the members of the committee for their continued diligence.

Recess:

The Chair recessed the meeting at 9:12 a.m.

Reconvene:

The Chair reconvened the meeting at 9:13 a.m.

Licensing – Applications:

Randall R. Scharnhorst

Randall R. Scharnhorst was present to answer any questions the Commission may have regarding his application for a real estate broker and sole proprietor's license. Mr. Scharnhorst was asked if he wished to have his application considered in executive session. He declined the offer.

Mr. Scharnhorst stated that he works in timeshare. He submitted letters in support of his application for his customers. He was convicted in 1991 but was arrested in 1988. Mr. Scharnhorst stated that he was not convicted of possession and conspiracy but was convicted for aiding and abetting.

Mr. Scharnhorst stated that he had introduced two people to each other in 1986 and he knew that they were going to talk about a crime. He did not see them again after that. In 1988, they testified against him and said that he had introduced them. He is on probation for ten years and has not had any problems since. He is starting an investment hui and wants to have a broker's license.

Mr. Scharnhorst admitted that he did make a mistake and that it was a long time ago.

Mr. Scharnhorst stated that he was applying for his real estate broker's license and also for a sole proprietorship. Mr. Scharnhorst was informed that if his application for a real estate sole proprietorship was granted, he would not be under the supervision of a principal broker. Mr. Scharnhorst stated that it was suggested to him that he get his license going.

Mr. Scharnhorst was asked to describe the activities he was involved in. He stated that he has a couple of different lots that he is building on Maui. The hui has purchased a lot on the Big Island and two other lots are in escrow. They will be building houses and will be speculating. Mr. Scharnhorst stated that he would not be hiring any real estate salespersons under him. There are other people in the hui who have real estate licenses, but they are involved in the timeshare industry.

Mr. Scharnhorst was asked if he were aware of the principal broker's responsibilities. He stated that he is not aware of all of the responsibilities but he will be getting advice from a friend. They will be hiring an attorney. He has been buying and selling real estate in Hawaii since 1977.

The Commission has concerns that an applicant will be good while they are under the terms of the probation but that once the probation/parole is lifted, the licensee feels that they no longer have to abide by the conditions.

Mr. Scharnhorst stated that he had worked for Consolidated Resorts for over six years and he supervises more than six employees.

Mr. Scharnhorst asked if there were anything that he could do regarding the supervision of a broker. He offered that, if the Commission felt it was needed, he would agree to being supervised by a broker for a year or so.

Upon a motion by Commissioner Okawa, seconded by Commissioner Imanaka, it was voted on and unanimously carried to take this matter under advisement.

Recess:

The Chair recessed the meeting at 9:25 a.m.

Reconvene:

The Chair reconvened the meeting at 9:30 a.m.

Licensing –
Applications:

Michael Walsh

Michael Walsh was present to answer any questions the Commission may have regarding his application for a real estate salesperson's license. When asked if he wished to have his application considered in executive session, he declined the offer.

Mr. Walsh said that he feels that by getting his real estate license he could improve his life as far as what he has done for himself. Mr. Walsh stated that

when he met his wife, her family was against them getting together. Everything that he does now is to prove that his wife made the right decision. He is looking for an opportunity to better himself.

Mr. Walsh was asked how long he has known Sylvia Foster. Mr. Walsh answered that he has known her only three months. Mr. Walsh said that he was hesitant in turning in his application. He called Ms. Foster and spoke with her about his concerns. He said that she gave him good advice on what to do. Mr. Walsh said that he would feel comfortable working for her if he became licensed. He would not have to jump into something that he was not prepared for. She is willing to walk him through the process.

Commissioner Abrams stated that he was impressed that Mr. Walsh discussed his situation with his proposed principal broker before being asked to do so. Commissioner Abrams stated that he felt that it was a very pertinent part of the application and he appreciated Mr. Walsh's efforts in doing so.

Upon a motion by Commissioner Okawa, seconded by Commissioner Imanaka, it was voted on and unanimously carried to take this matter under advisement.

Executive
Session:

Upon a motion by Commissioner Imanaka, seconded by Commissioner Abrams, it was voted on and unanimously carried to enter into executive session, pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information relating to individuals applying for professional or vocational licenses cited in section 26-9 or both".

Upon a motion by Commissioner Imanaka, seconded by Commissioner Okawa, it was voted on and unanimously carried to move out of executive session.

Licensing –
Applications:

Michael E. Walsh

After a review of the information presented by the applicant, Commissioner Abrams moved to approve the conditional real estate salesperson's license of Michael E. Walsh. Commissioner Kagawa seconded the motion. The motion was voted on and unanimously carried.

Randall R. Scharnhorst

After a review of the information presented by the applicant, Commissioner Okawa moved to approve the conditional real estate broker's license of Randall R. Scharnhorst. Commissioner Nishihara seconded the motion. The motion was voted on and unanimously carried.

After a review of the information presented by the applicant, Commissioner Nishihara moved to deny Randall R. Scharnhorst's application for a sole proprietor license, pursuant to §467-8(a)(3), HRS, and §436B-7(2), HRS. Commissioner Abrams seconded the motion. The motion was voted on and unanimously carried.

Next Meeting:

Friday, October 29, 2004
9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:58 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

October 29, 2004
Date

Approved as circulated.

Approved with corrections; see minutes of _____ meeting.

APPROVED APPLICATIONS FOR REAL ESTATE
REAL ESTATE COMMISSION MEETING ON SEPTEMBER 24, 2004

<u>Brokers – Corporations and Partnerships</u>	<u>Effective Date</u>
Hawaii Rainbow Realty, Inc. Roselyn Yun, PB	08/16/04
<u>Brokers – Limited Liability Companies and Partnerships</u>	<u>Effective Date</u>
The Wailea Group, LLC Robert H. Merriman, PB	09/15/04
Joseph M. Souki Realty, LLC Joseph M. Souki, PB	08/25/04
Brunner Properties, LLC Christine L. Brunner, PB	09/01/04
Makana Aina Real Estate, LLC Daniel S. Dick, PB	09/13/04
<u>Brokers – Sole Proprietor</u>	<u>Effective Date</u>
Jeffrey N. Mau	08/05/04
Patricia A. Barry	08/16/04
Kenneth Haff	08/18/04
Steve Wolshin	08/27/04
William P. Bolton III	08/31/04
Jessica Canty, Canty Realty	08/30/04
Tony Mangan	08/31/04
William H. Kelley	09/07/04
Gordon M. Wyant, Gold Coast Realty	09/03/04
<u>Trade Name</u>	<u>Effective Date</u>
Realty Executives Waikiki, LLC, Realty Executives Oahu Louis Faith Brewer, Place Names	08/17/04 08/13/04
<u>Branch Office</u>	<u>Effective Date</u>
Coldwell Banker Pacific Properties Ltd. Tom Gill, Principal Broker	08/13/04
Clark Realty Corp. Putnam Clark, Principal Broker	08/19/04
<u>Equivalency to Uniform Section of Examination Certificate</u>	<u>Expiration Date</u>
Alan Glenn Haspe	08/24/06
John J. Flynn	08/30/06
Mary Dell Kirchoff	08/30/06
Allan James Maddalena	08/31/06
Janet L. Fleetwood	08/31/06
Steven E. Kieffer	08/31/06
Scott Ray Davidson	08/31/06
Carol Naia Maisano	08/31/06
Cheryl Ann White	09/02/06
Robert Charles Nelson	09/02/06

Equivalency to Uniform Section of Examination Certificate

Donna Lee	09/03/06
Kelly James Capper	09/02/06
Erica Isabel Bejarano	09/02/06
Sandra Lee Nagy	09/03/06
Carmela De Marco	09/07/06
Heidi B. Smith	09/07/06
Scott Alan Saville	09/07/06
Gerald L. Hegger	09/07/06
Edward Dennis Doherty	09/13/06
Stacy Ann Martinat	09/13/06
Carolyn Mercy Cariaga	09/13/06
Michael Kaleva Schnaars	09/13/06
William O. Slansky	09/13/06
Penny M. Scott	09/15/06
Felicia Noel	09/13/06
Stephen Ward Gold	09/09/06
Christie King Ray	09/13/06
Ray Jay Rutter	09/13/06
Tuan Luong	09/15/06
Theodore Alfred Miller, Jr.	09/15/06

Expiration Date

Educational Equivalency Certificate

Alan Glenn Haspe	08/24/06
John J. Flynn	08/30/06
Howard R. Schwiebert	08/30/06
Mary Dell Kirchoff	08/30/06
Allan James Maddalena	08/31/06
Janet L. Fleetwood	08/31/06
Steven E. Kieffer	08/31/06
Scott Ray Davidson	08/31/06
Michael Patrick Richardson	08/31/06
Carol Naia Maisano	08/31/06
Craig Parker Wagnild	09/01/06
Stephen Augustus Pace III	09/01/06
James E. Merrick	09/02/06
Cheryl Ann White	09/02/06
Robert Charles Nelson	09/02/06
Ronald Hung Wai Lum Jr.	09/02/06
Robert J. Marchner	09/02/06
Kelly James Capper	09/02/06
Erica Isabel Bejarano	09/02/06
Theodore James Economy	09/03/06
Donna Lee	09/03/06
Sandra Lee Nagy	09/03/06
Carmela De Marco	09/07/06
Heidi B. Smith	09/07/06
Scott Alan Saville	09/07/06
Gerald Lester Hegger	09/07/06
Christina C. Foytich	09/09/06
Edward Dennis Doherty	09/13/06
Stacy Ann Martinat	09/13/06
Michael Kaleva Schnaars	09/13/06
William O. Slansky	09/13/06

Expiration Date

Educational Equivalency Certificate

	<u>Expiration Date</u>
Megan Suzanne Foytich	09/13/06
Ryan K. Sakaguchi	09/13/06
Carolyn Mercy Cariaga	09/13/06
Stephanie Lu	09/15/06
Felicia Noel	09/13/06
David Young Suh	09/13/06
Bruce Allen Frazier	09/09/06
Christie King Ray	09/13/06
Ray Jay Rutter	09/13/06
Steven Tom	09/14/06
Lisa Catherine Garofalo	09/13/06
Tuan Luong	09/15/06
Theodore Alfred Miller, Jr.	09/15/06

Real Estate Broker Experience Certificate

	<u>Expiration Date</u>
Marcus Anthony Lauren	08/24/06
John J. Flynn	08/30/06
Joseph T. Novit	08/30/06
Dorothy J. Jackson	08/30/06
Garret K. Hashimoto	08/30/06
Albert Allan Gulick	08/30/06
Janet L. Fleetwood	08/31/06
Chio Heng K. long	09/01/06
Noelani S. Tom	09/01/06
Cheryl Ann White	09/02/06
Ronald Torngren	09/02/06
Robert Charles Nelson	09/02/06
Gary Lynn Garrett	09/02/06
Richard Paku Pascua	09/03/06
Sandra Lee Nagy	09/03/06
Annamarie G. Garcia	09/07/06
Carmela De Marco	09/07/06
Stacy Ann Martinat	09/13/06
Roxanne Sheryl Reyes	09/13/06
Samuel J. Chung	09/13/06
Lori B. Robin	09/13/06
William O. Slansky	09/13/06
Kanani M. Idemoto	09/13/06
David Lawrence Shockley	09/13/06
Stephen Ward Gold	09/09/06
Ray Jay Rutter	09/13/06
Tuan Luong	09/15/06
Theodore Alfred Miller, Jr.	09/15/06

Continuing Education Equivalency

	<u>Effective Date</u>
Gary Turner	8/24/04
Anthony Joseph Di Mauro	09/01/04

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Charles L. Shaver	08/18/04
Glen A. Mitchell	08/30/04
Patricia A. Connelley	08/19/04
Leslie Anne Gerloff	08/26/04

Real Estate Broker (upgrade)

	<u>Effective Date</u>
Cornelius A. Bates	08/24/04
Craig K. Minami	08/27/04
Joleen K. Young	08/27/04
Mi Y. Crook	08/27/04
Ron S. Moore	08/27/04
Jessica Canty	08/30/04
Mika Yamaguchi	09/01/04
Anthony J. Mangan, Tony Mangan	08/31/04
Christine L. Brunner	09/01/04
Teri J. James, Teri M. James	09/02/04
Gail J. Jamison	09/02/04
Silvia Sugihara	09/03/04
William K. Malish	09/08/04
Devylin U. Calderon	09/09/04
Barbie Yoshiko Hee, Barbie Y. Hee	09/09/04
William H. Kelley	09/07/04

Restoration – Real Estate Salesperson

	<u>Effective Date</u>
Ronald Schwartz	08/03/04
Ross M. K. Wong	08/23/04
Wrenwick K. Lee	08/27/04